

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6480

BILL NUMBER: HB 1231

NOTE PREPARED: Feb 5, 2015

BILL AMENDED:

SUBJECT: Accelerated Degree Programs.

FIRST AUTHOR: Rep. Huston

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill provides for a higher education award for students who participate in an accelerated degree program. It specifies that a student receiving the award may not receive a Frank O'Bannon award. The bill also appropriates \$1,000,000 in each state fiscal year to the Commission for Higher Education to award grants to state higher educational institutions for implementing 36-month baccalaureate degree programs that are approved by the Commission.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Commission for Higher Education (CHE):* The bill appropriates \$1M for FY 2016 and \$1 M for FY 2017 to the CHE. The CHE may use the appropriations only for making grants to state educational institutions for establishing degree programs that award a student a baccalaureate degree within 36 months of first enrolling in higher education . The programs must be implemented before May 1, 2016, (for funds appropriated for FY 2016) and after April 30, 2016, but before May 1, 2017, (for funds appropriated for FY 2017).

The CHE must administer the Accelerate Your Success Award Fund, which the bill establishes to make higher education awards beginning July 1, 2015, to students participating in accelerated degree programs. An accelerated degree program allows a student to graduate at least one year ahead of the published program length and meets other specified criteria. Total awards to students enrolled in accelerated baccalaureate or associate degree programs may be \$4.4 M to \$5.0 M per academic year. However, the bill does not make an appropriation for this fund.

Additional Information- We calculate the estimate based on average tuition and fees charged by an eligible institution since we do not have specific information on how much a student is entitled to receive under current statute. Note that actual expenditures may be less than estimated to the extent that some applicants may already be enrolled in an approved postsecondary educational institution and may not be eligible to receive the award for three complete years in pursuance of their baccalaureate degree (1.5 years for their associate degree). Additionally, the student must demonstrate financial need, which may reduce total expenditures if an applicant's financial resources do not meet the CHE's criteria for an award.

Approximately 400 to 450 students (averaged across academic years ranging from 2008-2009 to 2013-2014) have graduated annually with their baccalaureate degrees from state and nonprofit educational institutions within three years from the student's date of first enrollment. Tuition and fees are approximately \$10,000 on average per academic year. An additional 125 students on average have graduated annually with their associate degrees from Ivy Tech Community College within 1.5 years, where tuition and fees are approximately \$3,500.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue; Commission for Higher Education.

Local Agencies Affected:

Information Sources: Stephen Lipps, Purdue University, 765-494-6148; Bernard Hannon, Ball State University; Diann McKee, Indiana State University, 812-237-7779; Scott Feeney, Independent Colleges of Indiana, 317-236-6085; Ryan Johnson, Ivy Tech Community College.

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